



Separation with Deferred Compensation Checklist

- ☐ Take employee off of Direct Deposit.
- ☐ Reconcile leave balances.
- ☐ Make sure employee has an open 401(k) or 457 account. Check SCO year to date screen or contact Savings Plus customer service at 866-566-4777. When the recording comes on press *0 to be transferred to a live representative. Explain to the representative that you are calling from an HR office and you need to verify if the employee has an open 401(k) or 457 account.
- ☐ Remember the maximum annual limits for Savings Plus before filling out the PAR are:
 - ❖ Annual Limit for 401(k)/ 457 account is \$16,500 into each account for 2011.
 - ❖ Age Based over the age of 50 allows the employee to put in an additional \$5,500 for a total of \$22,000 into each 401(k) and 457 account for 2011.
- ☐ Submit the Request to Transfer Lump-Sum Separation Pay Application with PAR. This document must have the employee and HR office signatures. If EE indicates more than the annual limits amount above, please submit the Catch-Up Worksheet Approval also with PAR
- ☐ If the employee is currently contributing into a 401(k)/457 account verify if the deduction was withheld from the last month's paycheck and if so you need to take this into consideration when figuring out what is possible to defer into lump sum.
- ☐ The criteria to have a 401(k)/457 account withheld from lump sum into the next tax year is based on the effective date. **The separation date must be on or after November 1st and the employee must give at least five workdays notice prior to the final date of employment.** If the employee is deferring into the next tax year, you must complete Item 877 on the first PAR. Reference the PAM section 2.125.
- ☐ In the remarks section on Line item 10 indicate how much deferred compensation is coming out for each pay period.
- ☐ Make sure the PAR is legible. **(PAR'S SHOULD NOT BE FAXED IF THE HR OFFICE IS LOCATED IN SACRAMENTO)** Make sure there is a signature and contact phone number on the PAR a backup contact is helpful.
- ☐ Is item 962 completed/computed correctly? (Did you take into consideration all pay differentials locked in on the PAR and keyed on a monthly basis?)